



DEPARTMENT OF THE ARMY
HEADQUARTERS UNITED STATES ARMY FORCES COMMAND
1777 HARDEE AVENUE SW
FORT MCPHERSON GEORGIA 30330-1062

REPLY TO
ATTENTION OF

AFLG-PR (715k)

MAR 09 1998

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Purchase Card Payment Issues, Contracting Information
Letter (CIL) 98-16

1. The latest analysis of delinquent FORSCOM Corporate Payment System (CPS) accounts revealed the following situations caused most of the delinquency:

a. Approving Officials (AO) were deployed or reassigned and did not receive the billing account statements (BAS);

b. Replacement AO names were not provided timely by the unit or the APC/bank did not make the change timely causing BAS receipt delays;

c. Billing account statements were treated as personal mail or were forwarded or returned because addresses failed to comply with United States Postal Service (USPS) standardized addresses; and

d. Approving officials failed to follow established procedures.

2. The Principal Assistant Responsible for Contracting (PARC) office recommends the following corrective actions, which were shared with your Commanders:

a. Contingency plans. It is critical that installation Standard Operating Procedures (SOP) for the purchase card program include contingency plans to ensure the payment process will be uninterrupted in the absence of the primary AO/certifying officer (CO), whether deployed or reassigned. This should be a condition of AO/CO appointment. The contingency plan should include the nomination/appointment of at least one alternate AO/CO who will remain at the installation and process the BAS for payment. Primary AO/CO records must be left behind with the alternate AO/CO during deployment, leave,

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or assignment to another location for temporary duty to ensure reconciliation is performed within contractual time limits.

b. Clearance procedures. Prior to clearing the installation, both civilian and military AOs must clear with the installation's Agency Program Coordinator (APC) program manager to ensure all statements either have been or will continue to be processed timely. Replacement AOs must be nominated and appointed promptly to ensure continuity of the payment process.

c. Postal addressing standards. Incorrect addresses are a major contributing factor to the current delinquency. Failure to receive mail timely from IMPAC Card Services requires immediate review of your procedures for providing correct official mail addresses when setting up accounts. In accordance with DOD and Army requirements for standardized street addresses for all buildings on military installations, the following sample address format should be used to set up accounts and ensure that payments are processed timely:

Individual name line:	SGT JOHN DOE
Office name line:	ATTN SUPPLY DIV 546TH PSB
Delivery address line:	1881 HOOD AVE NE
City, State, ZIP code line:	FORT HOOD TX 76544-5041

In recognizing that many FORSCOM installations have not completed the standardized street address project so that their installation street addresses are input into the U.S. Postal Services automated address system, the following format is recommended:

Individual name line:	SGT JOHN DOE
Office name line:	ATTN AFZF SUPPLY DIV
Delivery address line:	546TH PSB
City, State, ZIP code line:	FORT HOOD TX 76544-5041

To encourage use of correct, standardized street addresses, program managers should review and input all requests to ensure the individual's official mail address consists of the office file symbol, section, division, and/or department that will be responsible for timely processing of the BAS for payment.

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Please remember that the USPS sorts and processes official mail in accordance with standardized streets that have been input into their national directory system. The use of building numbers and/or non-standard address formats will delay delivery of bank cards and statements.

Some mailrooms continue to forward or return IMPAC statements for various reasons. We encourage you to continue to work with your unit mailrooms on this issue to ensure Bank statements do not get forwarded or returned. We have also again requested that mail from IMPAC Card Services be clearly marked, "DO NOT FORWARD - RETURN TO SENDER" and that the Agency Program Coordinator's address be used as the return address. However, the thrust of the initiative must be directed to the proper handling of statements in the mail rooms. Statements are official business and should not be forwarded to home addresses or returned to the sender.

d. Job standards. Occasionally the AO/CO just doesn't perform their duties well. Program coordinators should use the chain of command and routinely report seriously delinquent AOs to commanders. While the Director of Contracting has been empowered to appoint certifying officers, the Director is normally not in the AO/CO's rating chain. Accordingly, certifying officer responsibilities should be included as performance evaluation factors (job standards) for efficiency reports/performance appraisals as was previously recommended to commanders in AFLG-PR memo, 14 Nov 97, subj: Certifying Officer Guidance. The standard should be specific enough to determine how often they could be late, and it should be reasonable in relation to the number of charges made. Appropriate supervisory action should be taken by the individual's chain of command. This is also a means of recognizing AOs who are performing exceptionally well.

3. New SARDA policy is to suspend accounts when they become 61 days delinquent (91 days from billing cycle date) unless the AO is not at fault. On 19 Feb we sent an email message (encl 1) for program coordinators to pass to all AOs. Resource managers were asked to assist DOCs to ensure billing statements are properly reviewed, certified and forwarded to DFAS timely.

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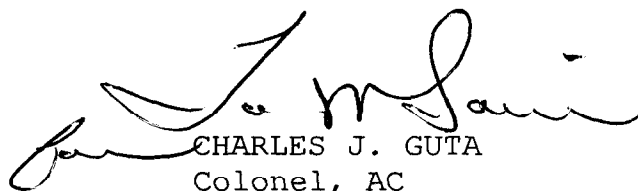
Hopefully, this will prevent FORSCOM accounts from being suspended and will reduce Prompt Payment Act penalties. Also of concern is the amount of time it is taking the bank to post payments. We found that many of the delinquent accounts on the 31 Jan list had been paid.

4. It recently came to our attention that Commercial Accounts Payable Offices are now using the BAS date rather than the actual receipt of invoice date when they suspect the BAS was not properly date stamped. We request that you immediately notify all AOs to provide the paying office convincing evidence that the receipt date is correct when the actual BAS receipt date is more than ten days from the statement date. The DFAS policy letter is at encl 2.

5. The Army policy on Accommodation Checks has been received and is being reviewed. We will forward with our recommendation on type (FedSelect or IMPAC) and pricing option (fixed fee vs. fee based on file turn) in a subsequent CIL.

6. This CIL has been fully coordinated with other FORSCOM directorates. Please share with appropriate personnel. For additional information, point of contact for contracting is Mrs. Pat Boterweg, DSN 367-5486 or commercial (404) 464-5486. Point of contact for resource managers is Ms. Raelene Wilson, DSN 367-5319 or commercial (404) 464-5319. Mr. Richard Cobble, DSN 367-2657 or commercial (404) 464-2657, is the point of contact for mailroom operation.

2 Encls



CHARLES J. GUTA

Colonel, AC

Chief, Contracting Division DCSL&R

Principal Assistant Responsible
for Contracting

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DISTRIBUTION:

COMMANDERS,

I CORPS AND FORT LEWIS, ATTN: AFZH-RM

I CORPS AND FORT LEWIS, ATTN: AFZH-DOC

III CORPS AND FORT HOOD, ATTN: AFZF-RM

III CORPS AND FORT HOOD, ATTN: AFZF-DOC

XVIII ABN CORPS AND FORT BRAGG, ATTN: AFZA-RM

XVIII ABN CORPS AND FORT BRAGG, ATTN: AFZA-DC

FORT RILEY, ATTN: AFZN-RM

FORT RILEY, ATTN: AFZN-DOC

FORT CARSON, ATTN: AFZC-RM

FORT CARSON, ATTN: AFZC-DOC

JRTC AND FORT POLK, ATTN: AFZX-RM

JRTC AND FORT POLK, ATTN: AFZX-DOC

10TH MOUNTAIN DIVISION (LI) AND FORT DRUM, ATTN: AFZS-DRM

10TH MOUNTAIN DIVISION (LI) AND FORT DRUM, ATTN: AFZS-DOC

3D INFANTRY DIVISION (MECH) AND FORT STEWART, ATTN: AFZP-RM,

3D INFANTRY DIVISION (MECH) AND FORT STEWART, ATTN: AFZP-DC

101ST AIRBORNE DIV (AASLT) AND FORT CAMPBELL, ATTN: AFZB-RM

101ST AIRBORNE DIV (AASLT) AND FORT CAMPBELL, ATTN: AFZB-DOC

NATIONAL TRAINING CENTER AND FORT IRWIN, ATTN: AFZJ-RM,

NATIONAL TRAINING CENTER AND FORT IRWIN, ATTN: AFZJ-DC

FORT MCPHERSON, ATTN: AFZK-RM

ARMY ATLANTA CONTRACTING CENTER, ATTN: AFLG-PRC

U.S. ARMY RESERVE COMMAND, ATTN: AFRC-COF

U.S. ARMY RESERVE COMMAND, ATTN: AFRC-LGL-L

FORT MCCOY, ATTN: AFRC-FM-DC

FORT DEVENS, ATTN: AFRC-FMD-DOC

FORT DIX, ATTN: AFZT-DOC

New SARDA policy states that accounts will be suspended when they become 61 days delinquent (91 days from billing account statement date) unless the AO is not responsible for the delay. The following reiterates AO responsibilities and timelines for processing of billing account statements for payment. By following these procedures we should avoid any accounts being suspended.

1. The Bank will send a monthly Billing Statement to the AO that displays a record of all transactions for the billing cycle for the cardholders assigned to the AO. The AO must date stamp the Billing Statement with the date received. If the AO does not clearly identify the date of receipt on the Billing Statement, the Prompt Payment Act requires DFAS to use the statement date as the assumed receipt date. The statement date will also be used if DFAS believes the date stamped may not be proper (e.g., backdated to avoid interest penalty).
2. The AO reconciles the Billing Statement against the cardholder statement of accounts (SOA) and certifies the Billing Statement for payment. Generally speaking, the AO should certify the billing statement in full (current billing activity) for payment. If there are disputed items on the Billing Statement the cardholder has 60 days from receipt of the SOA to dispute a transaction.
3. If the cardholder is not available to reconcile their SOA, the AO must still certify the Billing Statement and direct a reconciliation after the cardholder returns.
4. If the cardholder does not receive the SOA, the AO may direct the cardholder to endorse that portion of the Billing Statement that applies to that cardholder. The identical information from the cardholders SOA is on the AO's Billing Statement.
5. The AO's certified Billing Statement must be received in the DFAS paying office not later than 15 calendar days after receipt of the Billing Statement from the bank. If for some reason the Billing Statement was not received, a faxed copy should be requested from the bank 10 days after the cycle date.
6. The AO must verify that the accounting classification code is correct with the appropriate budget officer/resource manager and make appropriate changes prior to sending the certified Billing Statement to the paying office.

General Information

There should always be an alternate AO assigned to perform the Billing Statement and SOA reconciliation and certify the Billing Statement for payment in the event the primary AO is not available. (The alternate must also be an appointed Certifying Officer.)

Encl 1

Due to the billing cycle date of the 23rd of the month and 30 day Prompt Payment clock, the Billing Statement will normally reflect the previous months balance as unpaid. This is because under the Prompt Payment Act there is only one correct payment due date. Payments made before that date are early and payments made after that date are considered late. The 30 day payment clock starts when the AO date stamps the Billing Statement, which would normally be 3-5 days after date of Billing Statement date due to mail time.

If an AO is experiencing problems with non payment of the Billing Statement by DFAS, the Agency Program Coordinator (APC) should be notified. At a minimum, the AO should have documentation of when Billing Statement was forwarded to DFAS for payment and date that AO followed up with DFAS.

If an AO has contacted DFAS and the payment has been made, however the Billing Statement reflects their account is more than two months delinquent, again the APC should be notified.

Directorates of Contracting should include clearance procedures for AOs in the installation IMPAC SOP. This will ensure that the payment process continues uninterrupted when the AO departs the installation.

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ZNR UUUUU

R 171421Z OCT 97 ZYB

FM DFAS CENTER INDIANAPOLIS IN//AQA//

TO AIG 9181

AIG 9182

AIG 9184

AIG 12100

AIG 12525

DLA FT BELVOIR VA//DLS-CFF//

CDRUSASSI FT JACKSON SC//ATSG-FSR-ARS//

BT

UNCLAS

PASS TO ALL COMMERCIAL ACCOUNTS PAYABLE OFFICES

MSGID/GENADMIN/DFAS-IN-AQA//

SUBJ/DETERMINING INVOICE RECEIPT DATES FOR IMPAC AND AMERICAN

/EXPRESS BILLING STATEMENTS (ACCOUNTS PAYABLE POLICY/MESSAGE 98-04)

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RMKS/

1. THIS MESSAGE CLARIFIES WHEN THE PROMPT PAYMENT ACT (PPA) CLOCK STARTS. THE PPA CLOCK STARTS WHEN THE BILLING STATEMENT IS RECEIVED AT THE POST, CAMP, OR STATION DESIGNATED BILLING OFFICE. THE INVOICE, (NOT THE ENVELOPE), SHOULD BE DATE STAMPED BY THE MAILROOM SUPPORTING THE ACTIVITY WITH THE CORRECT INVOICE RECEIPT DATE. WHEN MAIL IS DELIVERED BY THE USPS DIRECTLY TO THE DESIGNATED BILLING OFFICE OR ACTIVITY, (INCLUDING POST OFFICE BOXES), THE INVOICE MUST BE DATE STAMPED AT THAT OFFICE WITH THE CORRECT INVOICE RECEIPT DATE.
2. FOR ENTITLEMENT COMPUTATION, USE THE DESIGNATED BILLING OFFICE RECEIVED DATE. WHEN IT APPEARS THAT THE RECEIPT OF INVOICE VOICE DATE WAS NOT PROPERLY STAMPED, USE THE INVOICE DATE. DELAY OF MORE THAN TEN DAYS LATER THAN THE INVOICE DATE IS ASSUMED TO INDICATE AN INVOICE WAS NOT PROPERLY RECEIPT DATE STAMPED. THIS MAY BE CHALLENGED ON AN INDIVIDUAL INVOICE BASIS BY THE CUSTOMER ACTIVITY. IF CONVINCING EVIDENCE IS PROVIDED PRIOR TO PAYMENT OF THE INVOICE THAT THE STAMPED DATE IS CORRECT, ANY RELATED PROMPT PAYMENT ACT INTEREST WILL BE COMPUTED BASED ON THE STAMPED DATE. IF THE CONVINCING EVIDENCE IS PROVIDED AFTER PAYMENT OF THE INVOICE AND RELATED INTEREST, THE EXCESS INTEREST PAYMENT WILL BE BILLED TO THE CONTRACTOR.
3. WHEN THE INVOICE IS NOT PROPERLY DATE STAMPED, THE DATE OF THE INVOICE WILL BE USED AS THE INVOICE RECEIVED DATE FOR PROMPT PAYMENT ACT INTEREST COMPUTATIONS.
4. POC IS MSG HAMMOND, COM 317-542-3282 OR DSN 699-3282.//

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End 2